

Montana's Regional Water Systems

EXHIBIT

DATE

7
Jan. 18, 2013

HB

11

- Two Federally Authorized Regional Water Projects
 - North Central Montana Regional Water (NCMRW)
 - Dry Prairie Rural Water (DPRW)
- Remaining State Share of Projects is approximately \$20.6¹ million:
 - NCMRW – Approximately \$12.6 million
 - DPRW – Approximately \$8 million
- HB 11 (2013) – Proposes to appropriate \$8.9 million from the TSEP Regional Water Account
 - Leaves approximately \$11.7 million in remaining state share of the projects
- Cost to State of Montana continues to increase as federal funds for both projects come in at a steady but low rate (2012: Approx: \$6 million, FY 2013 Budget \$6.1 million)
 - NCMRW – Feds have contributed approximately \$63 million
 - DPRW – Feds have contributed approximately \$23.1 million
 - Satisfying State's obligation will stop federal indexing (i.e. inflation), saving taxpayers millions in coming years
 - For example, the State's obligated share of NCMRW has increased over \$7 million dollars since 2002. That number will continue to grow until the state satisfies its remaining balance.
- Benefits of State paying off its share:
 - Eliminates the State's responsibility for future increased costs due to federal indexing;
 - Communities benefitting or to be benefited from projects in process:
 - NCMRW
 - Brady
 - Cut Bank
 - Hill County WD
 - Kevin
 - Oilmont CWD
 - Rocky Boy Reservation
 - Sunburst
 - Sweet Grass County Water District
 - DPRW
 - Nashua
 - Medicine Lake
 - Bainville
 - Froid
 - Antelope
 - Rural users throughout Valley County, Roosevelt and Sheridan Counties
 - Plentywood
 - These cost-effective interim solutions are designed to address immediate needs and function at full performance when the entire system is complete;
 - Creates and sustains an estimated 200 construction jobs (one job per every \$90K);
 - Addresses current and future energy impacts in Toole, Glacier, Pondera, Teton, Hill, Roosevelt, Daniels and Sheridan Counties
 - Improves position for federal appropriations in the future, as the Bureau of Reclamation ranks projects based on State/Local contributions

¹ Updated as of 1/17/2013, and accounts for adjustments based upon assumptions related to hardship determinations.